

MINUTES OF THE JOINT EXECUTIVE APPROPRIATIONS COMMITTEE

November 9, 2004 at 12:30 P.M.

Room W135, House Building, State Capitol Complex

Members Present: Sen. Leonard Blackham, Co-chair
 Rep. Ron Bigelow, Co-chair
 Sen. Ron Allen
 Sen. Gene Davis
 Sen. Mike Dmitrich
 Sen. Karen Hale
 Sen. Bill Hickman, Vice Co-chair
 Sen. Peter Knudson
 Pres. Al Mansell
 Sen. John Valentine
 Sen. Michael Waddoups
 Rep. Jeff Alexander
 Rep. Greg Curtis
 Rep. Brent Goodfellow
 Rep. Patricia Jones
 Rep. Brad King
 Rep. Rebecca Lockhart, Vice Co-chair
 Rep. Karen Morgan
 Rep. Michael Styler

Members Absent: Speaker Martin Stephens

Staff Present: John Massey, Legislative Fiscal Analyst
 Michael Kjar, Deputy Director, Fiscal Analyst
 Lynette Erickson, Secretary

A list of visitors and a copy of handouts are filed with the committee minutes.

Committee Co-chairman Blackham called the meeting to order at 12:48 p.m.

1. Call to Order - Approval of Minutes

MOTION: Pres. Mansell made a motion to approve the minutes of October 19, 2004. The motion passed unanimously with Senators Allen, Davis, Dmitrich and Hale and Representatives Jones, King, Morgan and Speaker Stephens absent.

Co-chair Blackham moved forward on the agenda to Item #3.

3. Executive and Judicial Compensation Commission

John T. Nielson, Chairman of the Executive and Judicial Compensation Commission, presented the Commission's report and recommendations for increases in the salaries of the state's elected officers, judiciary, and appointed officials. He said the Commission recommends the Governor's salary be set first at an increase of 4.5% and other elected positions be tied to the Governor's as listed on page 1 of the report. He said the Commission was concerned with the Attorney General's salary being low, not only as compared to other states, but that there are 54 attorneys in the Attorney General's office currently with higher salaries. The Commission recommends an 11.9% increase for the Attorney General. The Commission also is recommending a 7% increase for judges.

2. Federal Funds

Sophia DiCaro, Assistance Management Officer, Governor's Office of Planning and Budget asked for the committee's review and approval of the grant applications for this month. She referred to the requested information included on the Attorney General grant from last month.

MOTION: Sen. Knudson moved the committee adopt the report as presented. The motion passed unanimously with Senators Allen, Davis and Dmitrich and Representatives Jones, King, Morgan and Speaker Stephens absent at the time of voting.

4. Hazardous Waste Regulation and Tax Policy Task Force - Final Report

Rep. Stephen Urquardt and Sen. Curtis Bramble, Co-chairs of the Task Force presented the report of the task force. Rep. Urquardt said that the task force had met 17 times, held four public hearings and had five site visits. He said they had looked at B&C waste very carefully and even though Envirocare has been granted a license to dispose of B&C waste, it has not received approval from the Legislature and Governor to do so. The recommendation of the Task Force is that Envirocare not be allowed to accept B&C waste.

Sen. Bramble referred to the chart on page 7 of the report comparing Envirocare's average taxes and fees. The chart shows per curie taxes and fees for Envirocare are high while the per cubic foot taxes and fees are low. He also pointed out that a Legislative audit of Department of Environmental Quality (DEQ) identified areas where regulations could be improved and the task force identified the DEQ is following the recommendations of the audit. Sen. Bramble responded to questions from Sen. Hickman and discussed taxes and fees and what exactly Envirocare takes as far as radioactive waste as listed in Appendix B on page 29. Sen. Bramble pointed out because of recent legislative action, Envirocare has experienced an increase of over 500% in taxes in the last two years. He said that H.B. 145 from the 2004 General Session removed any ambiguity in class A classifications and made clear their desire to not accept B&C waste. They concluded by discussing letters of credit, or "cash on the barrel head"

saying after looking at this, they concluded that letters of credit are acceptable.

Co-chair Blackham and Pres. Mansell both expressed appreciation and complimented them on the excellent work that the task force had done. Pres. Mansell said that while the task force's challenge from early on was to make a report that could be understood and on which judgments could be made, they had done a great job helping this issue be understood and now hopefully their report would get out to the public so they too can understand it.

Sen. Valentine said that while task forces are typically "talkers" and don't get a lot done, this task force has been an exception. They have done an excellent job and provided good information to be looked at in the next couple of years.

5. State Office of Education - School Trust Lands Report

Sen. Waddoups commented that while he was campaigning, he got lots of questions on the trust lands cap and would like information on it. Michael Kjar said that the fund is currently still three to four million dollars away from the cap and the principle has not been touched, nor is it allowed to be spent. The cap was put in place as a protection. Patrick Ogden, Assistant Superintendent, State Office of Education, said that just last week their finance committee had asked their staff to pursue a flexible cap and come up with a formula that if approved may result in legislation. Sen. Valentine, Rep. Bigelow and Sen. Hickman commented and Sen. Waddoups cautioned that if changes are suggested when there has not been any problem, suspicion may be created.

Sen. Hale stated that in the Education committee within the last couple of months, it was reported the cap could be reached within two years. Rep. Styler expressed his concern that schools can have control of funding without requiring school board approval for expenditures and he thinks it will be a long time before the cap is reached. Mr. Kjar clarified that schools using these funds have to submit plans that have to be approved by State Office of Education and are listed on the state web site.

Lisa Schnieder, Finance Director, State Institutional Trust Lands, informed that in the last fiscal year, there was \$9.5 million in the fund, and they are anticipating close to \$11 million this year.

Co-chair Blackham asked for a motion to adjourn since there were no more reports to be made.

MOTION: Sen. Hale made a motion to adjourn. The motion passed unanimously.

The meeting adjourned at 1:28 p.m.

Handouts:

1. Report of the Executive and Judicial Compensation Commission
2. Federal Assistance Applications Requiring Legislative Action
3. Hazardous Waste Regulation and Tax Policy Task Force Report

4. The School Land Trust Program
5. Memo from Economic Development Human Resource Appropriations Subcommittee
6. Utah State Board of Education Personnel Definitions November 9, 2004
7. Report on Significant Factors Driving Department, Institutional, and Public Education Budgets, FY 2005 - FY 2006